



Before the
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA

FILED

10/05/22

04:59 PM

A2210006

In the matter of the Application of:)
)
GT MONTEREY, LLC, DBA MONTEREY)
AIRBUS)
PSC-38556) Application No. _____
)
to establish new base tariff rates and to establish a)
Zone of Rate Freedom ("ZORF") of Plus 15% or)
Minus 15%, to that newly established tariff, pursuant)
to provisions of Pub. Util. Code § 454.2.)

APPLICATION

The Application of GT Monterey, LLC dba Monterey Airbus, (hereafter referred to as "APPLICANT"), respectfully shows:

I.

The exact legal name of APPLICANT, its address and telephone number are as follow:

GT MONTEREY, LLC DBA MONTEREY AIRBUS
5 Justin Court
Monterey, CA 93940
Telephone: 831-831-373-777

II.

All notices, correspondence, and communications with respect to this Application should be addressed as follows:

GT MONTEREY, LLC DBA MONTEREY AIRBUS
ATTN: Judy Lin Bristow
2001 W Broad Street, Suite 2015
Richmond, VA 23220
Email: jbristow@groometrans.com

III.

For ease of reference, the following abbreviations will be used in this APPLICATION:

- | | | | |
|----|-------------------------------------|---|------|
| 1. | San Francisco International Airport | - | SFO |
| 2. | San Jose International Airport | - | SJC |
| 3. | Zone of Rate Freedom | - | ZORF |

IV.

APPLICANT presently holds a Certificate of Public Convenience and Necessity as a Passenger Stage Corporation (PSC-38556), authorizing the transportation of passengers and their baggage, between points the Cities of Monterey, Marina and the junction of State Highway 156 and U.S. Highway 101, and the unincorporated community of Prunedale, on the one hand, and on the other hand, SFO and SJC, and also between SFO and SJC, over specified routes, the “services”.

By this Application, and pursuant to the provisions of Pub. Util. Code § 454.2 and General Order No. 158-A, APPLICANT hereby requests authorization from the Commission to increase its base tariff rates for each one-way travel to and from SJC and SFO and to establish a ZORF in amount of plus 15% or minus 15% over its current base rates. The requested rate increases are set forth in the attached Exhibit 1.

This is the first request for an increase in base tariff rates by APPLICANT since commencing operations on April 22, 2019.

V.

In support of this ZORF, the following documents are attached hereto:

- | | |
|-----------|--|
| EXHIBIT 1 | A statement showing the APPLICANT’S current base rate, current fares, proposed based rates for Monterey, Marina, Prunedale, SFO and SJC which also reflects the application of the ZORF authority being requested herein by APPLICANT. |
| EXHIBIT 2 | APPLICANT’S proforma income statement and balance sheet for the twelve-month period ending December 31, 2021. |

VI.

This Application does not come within the purview of Pub. Util. Code § 454.2, as there is no similar or competitive transportation service within the APPLICANT’S corridor of its service. Accordingly, approval of this Application will preserve and sustain a proven and required public service

which provides an important alternative to the use of private vehicles to travel to and from the critical points being served by APPLICANT.

VII.

The justification for the proposed rate increase and ZORF is as follows:

1. **REGULATORY RECOGNITION OF FLEXIBILITY IN RATE ADJUSTMENTS TO MEET INCREASING COSTS OF PASSENGER SERVICES BY ENACTING PUB. UTIL. CODE § 454.2.** In creating the ZORF options to adjust existing rates in a more expeditious fashion than the normal administrative hearing process, the Legislature clearly intended to eliminate the administrative costs and burdens for both passenger carriers and the Commission, by providing that routine fare increases necessary to meet increased costs and operational expenses may be processed and approved in an expeditious manner through the ZORF process. The present Application is consistent with the purposes and intent of this legislation, as well as the Commission's history of considering and approving necessary rate increases as such those proposed herein. Such regulatory flexibility is all the more critical now as the passenger stage industry undertakes to maintain essential services which have been curtailed due to the COVID-19 Pandemic for a significant portion of the time since APPLICANT commenced operations on April 22, 2019. APPLICANT has not been immune from these significant and adverse operational and economic consequences not only to the company but, more importantly, the significant numbers of the local passengers who relied on Applicant's pre-COVID services to take flights in and out of the subject airports. As they now undertake to take advantage of the greater ability to fly domestically and internationally, APPLICANT is once again positioning itself to meet the demand for bus travel, rather than private automobile or other forms of transportation. Accordingly, Applicant seeks to support such a public commitment by the rate flexibility provided through the ZORF mechanism.
2. **INCREASED FUEL COSTS.** Of course, having emerged from the COVID-19 Pandemic, APPLICANT has not been immune to the increased and any number of operating costs necessarily imposed on the transportation industry. For example, and as a passenger carrier which utilizes diesel vehicles, the exponential increases in the cost of fuel, as well; the corresponding impact of sales and excise taxes related thereto has had a major impact on the operating costs relative to passenger vehicles, including those of the APPLICANT, which had and will continue to have a negative effect on bottom line profit for the passenger carrier industry, including APPLICANT. Unfortunately, the COVID-19 Pandemic did not forestall other operating expenses. As APPLICANT undertakes to maintain its sphere of passenger services, the company is very mindful that base costs in effect prior to COVID are no longer viable. Thus, the ZORF sought by this Application will provide the economic flexibility whereby APPLICANT will have the opportunity to adjust rates when and as needed but within the parameters of the requested ZORF.

3. **INCREASED LABOR COSTS.** Of course, and as a common theme post-Pandemic, the ability to obtain and retain the type of labor force which has been the hallmark of APPLICANT'S prior services to the local community is a challenge. APPLICANT operates numerous large capacity buses and mini-buses which have been historically and routinely at full capacity. To operate these types of vehicles, each driver must hold a Commercial Driver's License ("CDL"). In today's environment, good and reliable drivers are at a premium and their wage and benefit options are continuing to increase accordingly. In fact, a severe shortage of qualified drivers has created a very competitive hiring marketplace. APPLICANT pays above the current minimum wage. With the escalating wage and labor demands, APPLICANT will need to continue to pay above these rates to stay competitive in this market. The ZORF proposed by this Application will allow APPLICANT greater economic flexibility to retain its current population of loyal drivers, and to recruit new ones as well.

Not only will APPLICANT need to stay competitive on a one-to-one comparison with other passenger carriers operating within the greater Northern California market, the increasing cost and availability of housing in the counties served by APPLICANT has caused greater pressure on wages. The extraordinary cost of living in the Monterey County is well-documented. Our drivers need housing and to afford to live in the area, necessary salary adjustments. For example, currently, the cost of living in Monterey County, our key market base, is 38% higher than the California state average and 78% higher than the national average. These increases in pay levels, necessary to maintain a valued and needed service to the general public, will have a negative impact on bottom line profit, to be offset by the ZORF relief sought by APPLICANT. In addition, the traffic congestion to and from Applicant's base of operations creates greater salary pressures to induce drivers to continue to participate in this vital occupation. When a passenger uses APPLICANT's service, there is a corresponding and positive benefit to the environment given the corresponding decrease in the number of automobiles traveling within APPLICANT's market, thereby creating a positive environmental outcome.

4. **PUBLIC INTEREST.** Applicant will continue to make equipment and efficiency upgrades in the next 6-18 months that will significantly improve customer safety, access and efficiency, on a going concern basis, all to the public benefit as APPLICANT seeks to reignite public interest in its renewed services after the Pandemic hiatus. These will include purchases of new vehicles, which will be fully equipped with the latest in safety and efficiency amenities to include over the shoulder harness seatbelts for each passenger and ADA wheelchair accessible entrances. In addition to the purchase of new equipment, APPLICANT will be investing financially in upgrading its reservation system for customers. This reservation system will provide maximum convenience and options for the passenger. The granting of a the requested ZORF is in the public interest. Approval of this Application will provide the APPLICANT with the economic flexibility

necessary to adjust its rates to meet the demands of these significant upgrades in safety and public efficiencies.

VIII.

Pursuant to Commission Rule 24, notice of this filing of this Application with the Commission is being made by sending a copy of this Application to the City of Monterey, City of Marina, SFO and SJC, respectively. Furthermore, APPLICANT respectively submits this Application should be categorized as ratesetting, so that no hearing relative to same is necessary. APPLICANT further confirms that APPLICANT has on file with the Commission the require proof of insurance in accordance with General Order Series 101, as well compliance with the controlled substance and alcohol testing program pursuant to PUC Code 1032.1 and General Order Series 158. In addition, APPLICANT is enrolled in the pull notice system as required by Section 1808.1 of the California Vehicle Code.

WHEREFORE, it is respectfully requested that the Commission authorize the following, on an ex parte and expedited basis:

1. A base rate increase to be set for each one-way travel to and from SFO and SJC as set forth in Exhibit 1.
2. A ZORF to APPLICANT in the amount of plus 15% and minus 15% to its base tariff rates referenced above, also as set forth in Exhibit 1; and,
3. Such other and further relief as the Commission deems proper.

DATED this 5th day of October, 2022.



JUDY LIN BRISTOW
General Counsel
GT MONTEREY, LLC
dba MONTEREY AIRBUS

VERIFICATION

I am General Counsel of GT Monterey LLC, and am authorized to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except as to matters which are therein stated based on information or belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on October 5th, 2022, in Richmond, Virginia



JUDY LIN BRISTOW
General Counsel
GT MONTEREY, LLC

EXHIBIT 1

	Current Base Rate	Current Fare	Proposed Base Rate
MONTEREY - SJC	\$ 42.00	\$ 48.00	\$ 55.00
MONTEREY - SFO	\$ 52.00	\$ 59.00	\$ 67.00
MARINA - SJC	\$ 42.00	\$ 48.00	\$ 55.00
MARINA - SFO	\$ 52.00	\$ 59.00	\$ 67.00
PRUNEDALE - SJC	\$ 37.00	\$ 42.00	\$ 48.00
PRUNEDALE - SFO	\$ 47.00	\$ 53.00	\$ 60.00
SJC- SFO	\$ 20.00	\$ 23.00	\$ 26.00
SFO- SJC	\$ 20.00	\$ 23.00	\$ 26.00

	Minus 15% ZORF	Proposed Base Rate	Plus 15% ZORF
MONTEREY - SJC	\$ 46.75	\$ 55.00	\$ 63.25
MONTEREY - SFO	\$ 56.95	\$ 67.00	\$ 77.05
MARINA - SJC	\$ 46.75	\$ 55.00	\$ 63.25
MARINA - SFO	\$ 56.95	\$ 67.00	\$ 77.05
PRUNEDALE - SJC	\$ 40.80	\$ 48.00	\$ 55.20
PRUNEDALE - SFO	\$ 51.00	\$ 60.00	\$ 69.00
SJC- SFO	\$ 22.10	\$ 26.00	\$ 29.90
SFO- SJC	\$ 22.10	\$ 26.00	\$ 29.90

EXHIBIT 2

INCOME STATEMENT and BALANCE SHEET

Reporting Book:

ACCRUAL

As of Date:

12/31/2021

Legal Entity:

GT Monterey, LLC

	Current Year to Date 12/31/2021	Prior Year To Date 12/31/2020
	Actual	Actual
Revenue		
Revenue	\$ 1,713,452	\$ 964,971
Operating Expense		
Payroll Expense	975,960	667,681
Fuel Expense	151,946	91,977
Parts & Repair	65,946	31,944
Vehicle Expenses	57,674	40,448
Insurance - Claims	-	19,696
Insurance - Fixed Cost	117,845	154,570
General and Administrative	921,292	602,878
All other Operating Expenses	27,520	17,361
Other Expense (Income)	(117,405)	(26,960)
Total Operating Expense	2,200,778	1,599,595
Interest Expense	(690)	-
Depreciation	563,712	641,644
Amortization	305,000	305,000
Earnings before taxes	(1,355,348)	(1,581,268)
Taxes	-	-
Total Taxes	-	-
Net Income	\$ (1,355,348)	\$ (1,581,268)

Reporting Book:
As of Date:
Legal Entity:

ACCRUAL
12/31/2021
GT Monterey, LLC

	Month Ending 12/31/2021
Assets	
Current Assets	
Cash and Cash Equivalents	407,703.67
Accounts Receivable, Net	45,127.33
Inventory	34,851.16
Prepaid Expenses	23,527.28
Total Current Assets	511,209.44
Fixed Assets, Net	
Fixed Assets	2,600,769.29
Accumulated Depreciation	1,400,073.84
Total Fixed Assets, Net	1,200,695.45
Intangible Assets, Net	
Intangible Assets	1,900,000.00
Goodwill	5,167,300.00
Amortization	813,333.42
Total Intangible Assets, Net	6,253,966.58
Other Assets	
Other Assets	3,150.00
Total Other Assets	3,150.00
Total Assets	\$ 7,969,021.47
Liabilities and Equity	
Current Liabilities	
Accounts Payable	71,452.06
Accrued Liabilities	81,473.89
Intercompany Payable	2,990,851.27
Note Payable - Current Portion	0.00
Other Current Liabilities	107,321.23
Total Current Liabilities	3,251,098.45
Stockholders Equity	
Partners Equity	7,046,151.73
Retained Earnings	(2,043,392.21)
Net Income (Loss)	(284,836.50)
Total Stockholders Equity	4,717,923.02
Total Liabilities and Equity	\$ 7,969,021.47